

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Direct and Counter-Cyclical Payments
2-DCP**

Amendment 10

Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 17 B has been amended to clarify when a 2nd Advance CC payment can be elected.

Subparagraph 17 C has been amended to clarify when a 2nd Advance CC payment can be issued.

Page Control Chart		
TC	Text	Exhibit
	2-15, 2-16 2-16.5, 2-16.6 (add)	

17 Advance Direct and Counter-cyclical Payments

A Introduction

Advance payments are authorized for direct and counter-cyclical payments. The producer may elect an advance payment at the time CCC-509 is completed.

B Requesting Advance Payments

Producers may request an advance **direct** payment to be issued in any month starting December 1, of the FY in which they are earned. Producers will not receive an advance payment if an advance month is not specified.

Producers may request 2 advance **counter-cyclical** payments, to be issued in October and February of the next FY after the crop year.

Note: County Offices shall update the producer's CCC-509 according to 1-DCP with the producer's choice.

*--Use the following table to determine when an advance DCP payment can be elected.

Payment	Dates for Requesting 1st Advance	Amount of Advance	Dates for Requesting 2nd Advance	Amount of Advance
Direct	Date sign-up begins through September 30 th of FY earned	50 percent of final payment rate		
Counter-cyclical	Date sign-up begins through October 31 st of next FY after crop year	35 percent of the difference in the target price and the actual market price	Date sign-up begins through date final payment rate becomes effective	70 percent of the difference in the target price and the actual market price

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17 Advance Direct and Counter-cyclical Payments

C Issuing Advance Direct and Counter-cyclical Payments

Advance direct and counter-cyclical payments may be issued to producers who have an approved DCP contract for payment and meet the eligibility requirements in subparagraphs 16 B and C.

Note: Advance direct payments will not be issued for FY 2002.

Payment	Issue Dates for 1st Advance Payment	Issue Dates for 2nd Advance Payment
Direct	Month selected by producer through September 30 th of FY earned	
Counter-cyclical	October date 1 st advance payment rate becomes available through October 31 st of next FY after crop year	February date 2 nd advance payment rate becomes available through date final payment rate becomes available

17 Advance Direct and Counter-cyclical Payments (Continued)**D Advance Direct Payment Rates**

See subparagraph 21 B for advance direct payment rates.

E Advance Payments of Less Than \$10

If the producer has elected to receive an advance payment, payment processes will:

- issue advance payments that round to at least \$1
- not issue advance payments of less than \$1.

All payables that round to at least \$1 will be processed and sent to the Accounting system. The Accounting software combines all payables for the farm and producer and one CCC-184 is generated. In most cases, the combined CCC-184 is greater than \$10.

Note: Even though EFT payments are not combined, all payables that round to at least \$1 are processed.

F Prompt Payment Due Dates

According to the Prompt Payment Act, a prompt payment interest penalty applies if a direct or counter-cyclical payment is not issued in a timely manner. See 61-FI for additional information on handling prompt payment interest penalties.

G Prompt Payment Exceptions

An interest penalty payment does not apply if the:

- payment is the subject of an ongoing judicial action, including when a payee has filed for bankruptcy
- payee fails to provide the necessary documentation
- payee does not comply with the terms of any contract
- payee does not meet necessary program requirements.

